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HOUSE JOINT RESOLUTION

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WHEREAS, the recent contract between the State of Illinois and AFSCME has brought increased attention to the management of prescription drug programs by Pharmacy Benefit Managers (PBMs); and

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WHEREAS, An estimated 75% to 90% of managed care organizations have contracted with PBMs to manage their prescription drug expenses; and

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WHEREAS, Prescription drug manufacturers negotiate directly with PBMs, managed care organizations, and other payers to create a plan's formulary, address co-pay levels and prior authorization requirements, and to offer rebates and other incentives to PBMs; and

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WHEREAS, Reimbursements paid by PBMs to pharmacies are generally among the lowest accepted by pharmacies and are directed at moving patients from "brick and mortar" Illinois pharmacies to mail-order facilities; and

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WHEREAS, Cost control strategies and PBM utilization methods suggest cost savings do exist, however, prescription expenditures continue to increase and have been the most rapidly growing component of health care expenditures in recent years; therefore, be it

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RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that the Illinois Task Force on Pharmacy Benefit Managers is created; the Task Force shall consist of 16 members; from the Senate, 2 members shall be appointed by the President of the Senate and 2 members shall be appointed by the Minority Leader of the Senate, one of the Senate members shall serve as co-chairperson; from the House of

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1 Representatives, 2 members shall be appointed by the Speaker of
2 the House of Representatives and 2 members shall be appointed
3 by the Minority Leader of the House of Representatives, one of
4 the House of Representatives members shall serve as
5 co-chairperson; one member shall be appointed from the Illinois
6 Pharmacists Association; one member shall be appointed from the
7 Illinois Retail Merchants Association; one member shall be
8 appointed from the Illinois Hospital Association; one member
9 shall be appointed from the Illinois Nurses Association; one
10 member shall be appointed from the Illinois Insurance
11 Association; one member shall be appointed from the Illinois
12 Association of Health Plans; one member shall be appointed from
13 the Walgreens Health Initiative pharmacy benefit management
14 program; and one member shall be appointed from the winner of
15 the contract for prescription management services to be offered
16 through the State Employees Group Insurance Program, the Local
17 Government Health Plan, and the College Insurance Program; and
18 be it further

19 RESOLVED, That the mission of the Task Force shall be to
20 describe and discuss the different methods to ensure that the
21 purchasers of PBM services have the transparency necessary to
22 make a reasoned purchasing decision regarding payment rates,
23 preferred drug lists, reimbursement rates, manufacturer
24 rebates to PBMs, and costs and savings associated with forcing
25 or providing incentives for patients to enroll in mail-order
26 programs; the Task Force shall examine, along with any other
27 issues it may choose to investigate with respect to PBMs, the
28 following issues: (1) the State of Illinois' utilization of
29 PBMs, including the effect that this utilization has upon
30 independent pharmacies; (2) pharmacy payments and
31 reimbursement-negotiated prices; (3) generic substitution; (4)
32 formularies; (5) disease management programs; and (6) drug
33 utilization review; and be it further

34 RESOLVED, That the Task Force shall report its preliminary

1 findings to the General Assembly on or before May 1, 2005; and
2 be it further

3 RESOLVED, That the Task Force shall make a final report to
4 the General Assembly on or before July 1, 2005.